

# The Co-operatives against Combines

Communist Party of Great Britain



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# INTRODUCTION

It is now a hundred years since the flannel weavers of Rochdale opened their Co-operative store, which was to serve as the inspiration and model for the growth of the vast Co-operative Movement of to-day.

In their hundred years of growth Co-operative Societies have entered almost every field of economic activity — retail and wholesale trade, production, foreign trade, printing and publishing, housing, insurance, banking and shipping. The Movement has a magnificent record of efficient organisation and service to the people. It has played its part in every great issue which has faced the working class, within Britain and abroad.

In this Centenary year, the British Co-operative Movement is concerned to make its contribution to the national effort and to speed the defeat of Fascism, which will restore freedom to Europe and lift the burden of war from the British people. It is also concerned to make its contribution to the future.

The goal of those who founded the Co-operative Movement was to win for the British people a new order of society. While defending the interests of working people as consumers, the Co-operative Movement has more and more closely associated itself with the other wings of the Labour Movement, the Trade Unions and the Labour Party, and made common cause with these against the exploiting class.

With the growth of privately owned monopolies in production and distribution, the role of the Co-operative Movement in the working-class struggle against exploitation has grown more and more important. The great Co-operative organisations of to-day represent a powerful check to the operations of the Combines in the field of trade and distribution, as well as a political force that, alongside the Trade Unions and working-class political parties,

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helps to rally the people for democratic and social progress.

At the opening of its second hundred years the Co-operative Movement has a great new opportunity.

The strengthening of democratic and progressive opinion that has taken place in the course of the fight against Fascism gives all sections of the Labour Movement new possibilities of growth. The Co-operative Movement, with its great accumulated resources, is in an exceptionally favourable position for rapid development. The Beaverbrook campaign against it shows that the Combines will do everything in their power, by economic and political action, to prevent the growth of the Co-operative Movement, which they recognise as a menace to their vested right to exploit the workers and destroy the independence of the small trader and manufacturer.

The Co-operative Movement faces this challenge with confidence, and will have the support of the whole Labour Movement in its fight against the Combines.

What is at stake is not only the growth of a business organisation protecting the workers as consumers from the greed of the Combines, but the spreading of the democratic collective spirit of co-operation which is of the utmost value to the people in their fight for progress and for a new order of society. That is why the Co-operative Movement, side by side with its business organisation, has developed social, educational and political activities, and associated itself with every progressive cause in Britain and abroad.

With the defeat of Fascism, the people of Britain will be determined to carry forward the fight against reaction, to end the Tory domination of home and foreign policy that has been so disastrous to the country, and to build up their own democratic organisations to win a better and fuller life for themselves and their children. A bold policy of expansion and activity will enable the Co-operative Movement to take full advantage of this favourable situation, and to play an increasingly important part in the life of the nation.

It is in this spirit that the active membership of the Co-operative Movement and its responsible elected leaders are now approaching the problems of the further growth and work of the Co-operatives in the years that follow the war. The Communist Party puts forward this statement as a contribution to the

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discussion now in progress, which is of such importance not only to the nine million co-operators and their families, but to the whole British people.

## INTRODUCTION



# CO-OPERATIVE RESOURCES

The Co-operative Movement has great resources, which enable it to plan the extension of its organisation and activities with confidence that its plans will be carried out.

It has, in the first place, the great network of shops and stores, owned by 1,058 retail societies, supplying the needs of nine million members and their families, to a total value of £350,000,000 a year.

It has some three hundred productive undertakings, as well as farms with over 50,000 acres of agricultural land.

It has its Wholesale organisations, Building and Insurance Societies, and its Bank.

It employs about 337,000 workers in all its enterprises.

In the smaller societies as well as in the larger, among the elected members of voluntary management committees as well as among its paid employees, and in the membership of its auxiliary organisations, it has many thousands of able and experienced individuals whose loyal work has helped to make the Movement successful and to establish its influence and prestige.

Such are, in brief outline, the principal resources of the Movement, and they are of very great significance.

These undertakings and the already established turnover of trade do not mean that there is no need or no opportunity for expansion. The contrary is the case. It is estimated that Co-operative retail trade amounts to little more than one-tenth of the total retail trade of the country, while nearly three-tenths is in the hands of the Combines and chain stores. Co-operative production

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contributes only one-seventh to the wholesale value of the goods handled by Co-operative distribution.

There is therefore almost unlimited opportunity for expansion, especially in a period of great social progress. The raising of the standard of living of the people means that a great increase is necessary in the supply and distribution of all kinds of goods and services such as the Co-operative Movement is well able to provide.

The financial resources needed for rapid development are already in the hands of the Movement.

The total capital invested in the Movement (shares, loans and deposits) in 1942 amounted to nearly £420,000,000, and Reserve Funds to £82 millions.

The consolidated Balance Sheet for the Retail Distributive Societies of Great Britain and Ireland published in the 1942 statistics presented to the Edinburgh Congress in June, 1943, gives the following figures (in round millions) :—

	Million £
Share Capital	179
Reserve and Insurance Funds	17
Loans, Savings Bank Deposits and sundry funds	51
	247

How is this used ? The figures show :—

Property used in trade	49
Stocks	28
Property not used in trade	4
Investments	170

While some part of the investments is in Co-operative concerns, practically two-thirds of the available capital resources is invested outside the Movement.

If a similar calculation is made from figures including the two wholesale societies and the special societies, we find much the same general picture. The Co-operative Insurance Society occupies fourth position amongst industrial

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life offices. Its premium income in 1943 was nearly £12 millions, and its assets now amount to over £51 millions.

It is clear that the Co-operative Movement has very substantial financial resources not employed in co-operative undertakings. Many of the societies have invested quite big sums in Government and other loans. It is reasonable to assume that the Movement has certainly not less than £200 millions held outside the Movement itself. By contrast, only slightly more than £100 millions are used in the whole Movement for stocks, land, buildings and fixtures used in trade.

The use of its accumulated financial resources for the purpose of rapidly expanding Co-operative business is to-day necessary, not only to enable the Movement to keep pace with the growth and vitality of other sections of the Labour Movement, but to carry forward the fight against the Combines and to win for Co-operation an even stronger position in the country's economic life.

## CO-OPERATIVE RESOURCES

# EXTENSION OF DISTRIBUTIVE SERVICES

In 1939 average weekly purchases per member in all retail societies amounted to about 12s. In 1942 the average had gone up to about 14s — less than the relative increase in prices. There was a wide variation in purchases per member in different districts; from 9s. 7d. per week in 1939 in the South to over 17s. 8d. in Scotland. But members who could claim to be “100 percent Co-operators” (even apart from what they spend on rent, fares, light and fuel, other than coal, which Co-operative Societies do not provide) have always been a minority. Some part of the trade of nearly every member goes either to any shop which is within easy reach, or to the shop that offers more choice.

During the war a number of societies have recorded increases in trade. The figures just quoted show that an advance from the pre-war 10 or 12 percent of retail trade to twice or three times that proportion, should be reached within a comparatively short time, on the basis of a development policy which did more to meet the whole needs of existing members and drew in many more members. Such a policy would include :—

- A rapid increase in the number of Co-operative shops, including both small units such as bread shops, tobacconists and greengrocers ; specialised shops, for example pharmacies, book-shops, and men’s outfitters; and, in the shopping quarter of every community or centre of population, a Co-operative Store including all main departments.
- The further development of new services, such as large-scale catering, self-service shops and bazaar trading, and mail order business.

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- The sale of new types of goods, such as are suggested in connection with Co-operative production ;
- Publicity on a much more ambitious and up-to-date scale than the Co-operative Movement up to now has ever attempted.

An increase in the number of shops, and particularly the successful establishment of a Co-operative Store in every shopping centre is especially necessary.

To ensure that retail distribution is controlled and organised to meet the consumption needs of the population, and to safeguard the position of shopkeepers whose shops have been destroyed or closed down during the war, the system of licences should be continued. It will therefore be necessary in many cases for Co-operative Societies to come to an arrangement with existing businesses. In the case of new estates developed under the Government's Housing and Town Planning schemes, Co-operative Societies should secure sites for shops to serve the needs of co-operators on these estates. In all cases the demand for Co-operative service in a particular area should be a recognised ground for the granting of a licence.

## Food

Co-operative Societies are now distributing one-third of the country's milk and a quarter of its bread. These two essential foods are so important for the health of the population, and make up so large a part of Co-operative trade, that they must take first place in any consideration of expanding distribution.

**Bread:** A statement by a director of the C.W.S. in January, 1944, showed that while 500 Co-operative Societies are making 25 percent of the country's bread, 40 large capitalist concerns are making 50 percent. The most important questions for examination therefore, include:—

- Steps to establish a greater number of large-scale bakeries, with the most up-to-date mechanical equipment.

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- Further development of scientific research, on the lines already undertaken by the Wholesale Society, so as to produce the best bread from the standpoint of food value, as well as of other selling qualities.
- The supply of bread from Co-operative bakeries (which must be owned in the main by retail societies, individually or jointly within a small area) to small shops and confectioners.

**Milk:** The Co-operatives have always played a large part in the campaign for a pure milk supply, and have been pioneers in many districts, in establishing pasteurisation. At the present time the necessity for a clean milk supply in the interests of national health, is more widely recognised than ever before. But the processing plant existing in the country as a whole is not enough to meet the demand, although the change-over to high temperature pasteurisation is increasing the supply of pasteurised milk.

It is essential that Co-operative Societies should be able to secure the necessary equipment for the processing, bottling and delivery of milk, at the highest standard of cleanliness and keeping qualities.

Already, some Co-operative Societies, which would not have been able to set up separate dairies, have joined with neighbouring Societies to establish jointly-owned dairies. The extension of this idea would help to increase the Co-operative share of the milk trade.

At the same time the maximum use of all Co-operative plant, by processing for small retailers, where equipment is not used to capacity, would develop new links between the Co-ops and small producers and increase the total supply of safe milk.

**Catering:** One of the great changes in the life of the British people during the war has been the development of meals away from the home. In British Restaurants, factory canteens and schools throughout the country thousands of men, women and children are taking their main meals and no longer depend exclusively on home preparation for all their meals.

During the rationing year just ended the number of children receiving school meals has been more than doubled. It is now about 1,250,000,

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or just over one-fifth of the school population, and Mr. Butler and Lord Woolton have put forward as a practical target the feeding of three-quarters of all school children. Since August of last year the number of British Restaurants has increased more slowly, from about 1,700 to about 2,120 and over 3,000,000 meals a week are being served. Mr. Mabane has stated that some 3,500,000 people, about one-quarter of all workers, eat a mid-day meal of some description in industrial canteens and this implies that canteen facilities have been more than doubled in a year. These are impressive advances. Yet much remains to be done. (Times — 4.8.43.)

Much does remain to be done, and because the Co-operative Movement has identified itself so much with the provision of the people's food it cannot allow so much of their expenditure on food to pass out of the Co-operative sphere.

The organisation of catering in its various forms is so obviously suited to the outlook and accumulated experience of Co-operatives that the Movement should have assumed a big role from the start. Members would welcome the entry of their Societies into this field, and non-cooperators would gain a first experience of the Movement's efficiency and value that would induce them to join local Societies for their general purchases.

The action already taken by particular Societies in running canteens and restaurants can now become the basis of a general policy throughout the Movement, so that the public will become aware that the Co-operatives have identified themselves with this great development. New restaurants should be established. Education Authorities should be induced to take their food supplies and equipment for the schools from their local Societies. Strong efforts should be made to become suppliers to factory canteens and, in addition, undertake the catering completely, all as an extension of what is already being done in a small way.

The new catering department of the Co-operative Wholesale Society should be of great assistance to retail Societies in organising and equipping restaurants and canteens. Research by the Co-operative Wholesale Society on nutrition problems might also be of great value to all Societies.

Another and older aspect of catering is the chain-type restaurant and tea-shop. No one is very well satisfied with the value given in these, and in



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many provincial towns they scarcely exist. The Movement has enormous resources for supplying such outlets for food, and again bringing Co-operative methods further into the lives of the people. The improvement of conditions for catering workers overcomes a former difficulty in this regard, and there seems no reason why Co-operative Societies should not enter the café and snack bar trade on a big scale, particularly in industrial towns and holiday centres.

**Drinks:** Apart from alcoholic drinks, there are “soft” drinks and milk beverages to be sold and consumed on the premises, and there is every reason why the Co-operatives should try to cater for part of this large trade. As to beers and spirits, more Co-operative stores should have off-licences as a normal department, and so enable members to spend their money inside the Movement.

**Bazaar trading:** Besides extending catering, it would be possible to establish more self-service grocery counters within the large stores, or as part of a new development in bazaar trading. Where bazaar trading has been attempted boldly, it has been successful, for the very good reason that it provides what is increasingly popular in our generation. It is one thing of course, to organise bazaar conditions for displaying and selling goods customary in Co-operative shops, and quite another to introduce new mass-production cheap articles, competing with the 3d. and 6d. bazaar of the pre-war type. The latter proposition has always raised the question of whether traditional Co-operative quality and purity could be maintained.

It must, however, be recognised that a bazaar of what is now the customary type implies a level of quality known and expected by shoppers who use it when they want something cheap, and are not thinking about quality and durability. Further, the low prices are obtained through large-scale purchasing and giving long-term contracts. The Co-operative Wholesale Society can buy in the same way, given a general decision by the larger Societies to give support by opening Bazaar Departments.

**Greengrocery:** Vegetables and fruit are specially important in the nation’s food, both from the standpoint of sound diet and because homegrown supplies

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make up the great majority of these fresh foods. Their proper handling without waste and in good condition is a very important part of retail distribution. Direct supply through Co-operative channels would avoid middlemen's charges and guarantee regular supplies and fair prices to grower and consumer.

But it is not an easy trade to organise, and it cannot be said that Cooperative Societies have so far been as successful in the greengrocery trade as they have, for example, in the dairy trade.

It seems that the best solution will be found by adapting to the fruit and vegetable trade the main principles that now apply to the milk trade — direct collection by Co-operative Societies from producers in the countryside, either individually, or, when this is possible, on the basis of cooperative organisation of the small growers themselves; transport in properly equipped rail or road vehicles to depots in the main centres of population for checking and grading; and delivery from these depots to greengrocery shops which must stand comparison, in lay-out and equipment, with the best the private traders has to offer.

This would involve establishing a network of depots at the best points for distribution to the various areas and suburbs of industrial towns, and would do away to a great extent with the use of central wholesale markets which often become a bottleneck in the whole process. At the same time it would bring small growers more directly into the sphere of Co-operative trade.

**Fish:** The fish trade, which has hardly been touched by many of even the large retail Societies, offers the possibility of a similar type of organisation, with the collection and distribution of supplies through Co-operative channels from the fishermen to the consumers. The extension of Cooperative factories at the fishing ports, for canning and curing fish not required for immediate consumption, would be a great help in maintaining a steady market for the fishermen and steady supplies for consumers. The possibility of large-scale developments in this direction, with the opening of more sales points throughout the country and the building up of Co-operative markets abroad, should be carefully examined.

## Other Goods

Co-operative sales of other goods than food have not by any means kept pace with the general expansion of the Societies' trade. In 1936 grocery, bread, meat and milk represented 76 percent. All other trade, including coal, footwear and clothing, furniture and hardware, and Cooperative services such as laundry, pharmacy and funeral furnishing together, only made up 24 percent of total trade.

After the war millions of people will need all kinds of consumption goods — above all furniture and household equipment of every sort. In these goods, presenting much less difficult problems of distribution than the food trades, which Co-operatives have organised so successfully, there are great possibilities of expansion for all Societies, whether in larger centres of population or in small country towns.

But to secure this trade, Co-operative Societies will have to set a high standard not only in the quality but also in the style and design of the furniture, clothing and other dry goods on sale at Co-operative shops, and in methods of advertising and salesmanship.

**Furniture and household equipment:** Over the last quarter century there has taken place a marked change in the furnishing and equipment of the people's homes. Although the Movement is the largest single manufacturer of furniture, a quite insufficient part has been played by the Co-operatives in meeting this new type of demand. Here again, therefore, is an opportunity that ought no longer to be left largely to capitalist exploitation. The Co-operatives should make a bold bid to furnish the new homes of the British people.

Linked to furnishing are radio, refrigerators, electrical appliances, lighting fittings, etc. The new homes, and many of the older, will have electricity supply, and manufacturers are preparing to cater for the huge demand that is going to arise. The Co-operatives should plan to cater for much of this demand and handle such lines in a bold and distinctive way. Nowadays — and increasingly in the future — these commodities are no longer "middle-class" luxuries, and should be on sale in the workers' shops.

**Decoration materials:** The success of the multiple wallpaper and paint

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shops catering for the greater interest to-day taken in home decoration points to a further activity awaiting co-operative enterprise.

**Clothing and Footwear:** Clothes and shoes and millinery, to meet the different needs and changing tastes of young people as well as of the long-established members, will have to find their place in Co-operative shops everywhere. Consideration should be given not only to materials and workmanship, but fashion and design as well, if Co-operatives are to develop this trade extensively.

**Departmental stores and specialised shops:** Departmental stores have on the whole been successful, and Societies which have done nothing or very little in this direction will need to develop this form of sales organisation. At the same time there is every reason to open specialised shops in certain conditions. Specialisation enters into every class of retail distribution, and the speciality shop permits of development where otherwise a Society would have to depend only on its departmental stores for lines outside of the grocery-provision-butchery combination. The management of a range of speciality shops requires new methods, and a new standard of training in salesmanship and display will also be needed.

**Pharmacy:** One department of co-operative retail is becoming specially important in relation to proposals for a National Health Service. The rapid development of pharmacy shops could provide a Co-operative chemist within reach of every health centre. But again this possibility will depend, not only on acquiring or establishing shops, but also on facilities and encouragement for young employees (especially girls) to become qualified chemists. Consideration should also be given to the development of the optical trade.

**Mail order business:** In the non-food trades particularly, mail orders represent a very large retail turnover. Hitherto Co-operatives have taken a very small share in this trade. But here is clearly a field for joint effort and organisation by Co-operative Societies.

The Movement could establish a joint society to develop mail order business on a national scale. When ordering, buyers who were Cooperators would

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give the name of their Society and their share number. The surplus of the joint Society could then be distributed according to trade done with members of each of the constituent Societies.

Mail orders would help to extend Co-operative trade to the countryside and small country towns, and thus open more widely an important field not yet sufficiently developed by Co-operative shops.

**Small shops as Co-operative agencies:** In country areas, no less than in large towns, there is another channel through which Co-operative trade can be brought to people it has not yet reached. The village shop in the countryside and the small grocery or draper's shop in a larger town are owned in the main by people who have the same background and belong to the same kind of household as the great majority of Co-operators. As traders, they have many interests in common with Co-operative Societies; both are against high rents and indirect taxation, for a fair allocation of supplies and control of wholesale prices.

But the fact that Co-operative expansion has involved taking over some small businesses has been the pretext for sections of the press, voicing the interests of the Combines, to raise an outcry against the Co-operatives, with the aim of diverting the attention of small shopkeepers from the operations of the Combines.

Any division between the Co-operatives and the small traders weakens both in relation to the Combines. Moreover, the small trader is often in a position to supply Co-operators with such of their requirements as are not handled by Co-operative shops within easy reach. Agreement with small shopkeepers in such cases to act as agents for Co-operative Societies, on terms which enabled Co-operators to get their dividend on purchases made from them, would both extend total Co-operative sales, make purchases easier for Co-operators, and establish good relations between the small shopkeepers and the Movement.

## Special Services

**Housing:** The need for houses is felt by great numbers of co-operators and various suggestions have been made that their need can and should be met through the Co-operative Movement itself.

Housing is however such a vast problem that it can only be tackled seriously by the State and the local authorities. So far as the Co-operative Movement is concerned there are two ways in which it can help without attempting any great development such as would tie up a large portion of its funds, urgently needed as they are for other Co-operative developments more directly affecting the general membership.

There is already in existence the Co-operative Permanent Building Society, which has done very useful work and should develop on the basis of its own resources.

There are also in existence a certain number of Housing Societies registered under the Industrial and Provident Societies Acts. The finance of each Housing Society is provided by its own members through shares (up to £200) and loans, including mortgages, loans from the Co-operative Building Society, and from local authorities which have the power to help in such schemes. The houses built are as a rule rented to share holders.

Here we have a development of the principle of Co-operation which draws in new funds from members directly affected. Provided that each housing society is directly governed by these members, this means the principle of co-operation is maintained and development made possible without drawing on the accumulated funds of the distributive Societies.

But in connection with housing, we feel that the principal help to be given by the Co-operative Movement to its members lies in the sphere of furnishing and equipment for their houses, whether new or old. This seems to us to be in line with the general development of the distributive Co-operatives and to be more helpful to the general membership of the Societies than the use of funds to build houses for what can be only a small proportion of the membership.

**Co-operative Centres:** Co-operators and members of the whole Labour Movement have often enough discussed the need for a social centre for the Movement in each town or locality. A centre for meetings, concerts, dramatic

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shows, for games and gymnasium, for reading and social life. The Co-operative and Labour Movement has the members and resources to create such centres. As it is, essential activities are forced into hired premises that mostly are inadequate and dreary, and many activities that would enliven and strengthen the Movement cannot be attempted at all.

In London and the larger provincial towns one such centre as is suggested should have bedrooms, a restaurant and common rooms for members of the Labour Movement passing through or making a stay. We hope the project for such a centre in London to mark the Centenary will be accepted and carried through.

Distributive Societies should accept the responsibility for building and administering such centres, deeming it a service needed by their members and a striking means of showing to the world in general the power and importance of the Movement.

**Drama and Music:** For many years Co-operators have organised amateur drama and music activities through the auxiliary bodies. This is valuable work and deserves additional encouragement and financial support, for it meets the need of people for self-expression and development.

Recent developments through the People's Entertainment Society are very encouraging. A great campaign should be made to interest the whole membership and attract share and loan investment in the People's Entertainment Society and enable it to undertake a vigorous programme and extend its activities to all parts of the country. Apart from the importance of this work, it would bring the Co-operative Movement in yet another way into the lives of the people and strengthen its hold upon their esteem and loyalty.

**Cinemas:** The use of the cinema for educational purposes and for entertainment is already familiar to many Co-operative Societies, but it must be said that only a very small proportion of the membership is reached by such films as the Co-operative Movement either produces or obtains from other sources. Moreover, the part which the Co-operative Movement can play in this field must not be limited to Co-operative members. The use of films for stimulating the political consciousness of the whole Labour Movement and providing entertainment at meetings of the Labour Movement is as yet

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hardly felt. What is needed, therefore, is a great expansion in this whole field of activity which would involve the equipment of all Co-operative halls with either standard or sub-standard projectors, and provision of mobile projecting units to serve the whole area covered by the Society.

In the People's Centres which are suggested for the larger towns there should be a fully equipped cinema, and first rate films running continuously. In certain cases it might also be possible, following up the example of the Scunthorpe and other Societies, to buy existing cinemas and develop both the use of films and other educational and social activities around the cinema.

It may even be possible to develop, alongside the People's Entertainment Society, a National People's Cinema Society associated with the Cooperative Movement.

**Holidays:** The principal recreation where Co-operative enterprise has a bigger part to play is in connection with holidays. An annual holiday is a new feature in many workers' lives, and proper facilities for making such holidays enjoyable and useful have yet to be organised. As matters stood up to 1939, it was no easy matter for a working-class family to go to the seaside or country for their annual holiday, what with the lodgings racket, the discomfort, objections to children and the shortage of accommodation, although the Co-operative Holidays Association and the Workers' Travel Association were organising services to meet these needs.

There is no reason why the many hotels and holiday camps that will have to be established should become the preserve of the profit-makers. Co-operative service of this sort would be another form in which the working class may be enabled to organise its own affairs and keep the profit-makers out, to secure its recreation at a lower cost and under conditions of its own choosing.

**Publishing:** The Co-operative Movement is already publishing a number of periodicals, pamphlets and books, in the main dealing with the Co-operative Movement itself, as well as *Reynolds' News*. The field is open for a much wider range of popular magazines, text books, fiction, children's books, etc., as well as the printing of cheap reproductions of art works. Such a development, along with the opening of more book departments in the shops, would be both profitable and welcomed by the membership.



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**Publicity:** An energetic and continuous campaign is essential in connection with every development proposed, and to ensure the all-round growth of the Movement. The present and projected need for publicity requires a centralised publicity service, organised and staffed up to the level of the large and well-equipped publicity departments and advertising agencies used by capitalist competitors, and using every possible medium for publicity.

Such a centralised service, in addition to preparing general material for Co-operative propaganda on a national scale (as in connection with the Centenary), would also be available for consultation by the separate Societies, in planning and carrying out their own special publicity.

## EXTENSION OF DISTRIBUTIVE SERVICES

# PRODUCTION AND SUPPLIES

Present sources of supply to Co-operative Societies are mainly of two kinds : productive undertakings owned by the Co-operative Movement, and large-scale manufacture owned by capitalist firms. In addition, certain commodities (for example milk) are supplied to a considerable extent by small producers.

At the beginning of the war about 40 percent of the total value of Co-operative retail trade was made up of goods and services coming from Co-operative productive undertakings (though including raw materials from capitalist sources): 60 percent came from other sources.

British Co-operatives have grown up primarily as consumers' Societies. After the struggles of the Societies in the early period, they grew and flourished in the later part of the 19th century on the basis of helping to distribute consumers' goods produced by capitalist industry, but did not seriously enter the field of production. With the development of the food trusts, and the growing strength of the Co-operatives themselves, they became rivals to monopoly in the distributive sphere, and in the years of economic depression the need to establish independent sources of supply was becoming more and more evident. Some effort was made to meet this need both by increasing C.W.S. production and by greater output from Productive Societies. Between 1932 and 1939 the value of C.W.S. and Scottish C.W.S. production had almost doubled, and the output of Productive Societies went up by over 30 percent. But the total in 1939 from all three sources was only about £62 million, including the value of raw materials from capitalist sources. If production by retail Societies (largely bakeries) and the output from tea plantations owned by the English and Scottish Joint C.W.S. are included, the total is about £100 millions.

War time restrictions, the taking over of C.W.S. factories for Government

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work, and the limitation of supplies of consumption goods, have probably meant a decrease in the proportion of Co-operative-produced goods sold by Societies during the war.

In what direction can a Co-operative Movement rapidly expanding its distributive trade look to obtain the increased supplies required?

### **Agricultural products**

Direct production on farms or estates, owned by Co-operative Societies, of cereals, milk, sugar, tea, cocoa, palm kernels and meat, on a scale which would meet all the needs of the retail trade, would require a very large investment of capital, and, therefore, would in fact tend to prevent the expansion of Co-operative processing, manufacture and retail trade. While farms owned by Societies are of great value in setting up high standards of food production on the basis of direct experience, the majority of supplies must come from other sources. An increase in supplies of primary products to Co-operative Societies will have to be found in a much more rapid development of Co-operative purchasing from small producers on the lines already established for milk in this country, or for palm kernels in West Africa, and through agricultural Co-operatives.

### **Agricultural Co-operatives**

In Britain, although Co-operative Societies are so closely connected with agriculture, both through direct purchase from farmers and through a certain number of their own farms, agricultural Co-operation, in the sense of collective buying and marketing through farmers' Co-operatives, has made very little headway.

At present there are about ninety farmers' Societies for the Co-operative purchase of requirements, and about the same number for Co-operative marketing. The turnover of the buying Societies last year was about £9,000,000 and of the marketing Societies about £6,000,000. There are also 16 Societies for joint threshing and miscellaneous services.

War conditions have brought changes, such as the joint use of machinery and skilled labour, which to some extent have prepared the way for the further development of agricultural Co-operatives. The systematic building up of this form of Co-operative enterprise would be of great importance for the Movement as a whole, and would help to establish a growing source of supplies for the distributing Societies. It would also be an important step for the fight of the farmers against the combines both in supplies and in marketing ; it would strengthen the use of modern technique in farming; and it would extend the basis for Co-operative principles in agriculture, which is so vital for the future organisation of British economy.

## **Processing and Manufacture**

So far as factories owned by Co-operative Societies are concerned, expansion will be particularly useful in two main directions — the processing and/or manufacture of food products; and the manufacture of clothing, boots, furniture, hardware and other domestic requirements, which can be best supplied by large-scale production methods.

There is room for considerable extension of Co-operative manufacture without tying up a very large proportion of the available funds, most of which will be required for the enlargement of the distributive trade.

If Co-operative investment is planned so as to seize the opportunities of *new* production of consumers' goods, which the needs of the people in the immediate post-war period will open up, there will be the possibility of a very rapid development. In plastics and the large-scale manufacture of metal equipment and fittings for houses, in canned or packed foods, in standardised furniture and clothing, on the lines of utility goods, and in equipment for sports, games, athletics and camping, there will undoubtedly be a great expansion. In all these, Co-operative production could take an important place, provided that it is prepared to venture into new fields, and to establish itself not only on the basis of existing Co-operative demand, but by recognising other retailers as agents for the sale of Co-operative manufactures.

## **Organisation of Small Producers**

In view of the great need for further extension of the distributive network, it is almost inevitable that Co-operative production, even though considerably increased, will still meet only a small proportion of the Societies' needs. The distributive Societies, whether through the wholesale Societies or directly, will therefore still have to purchase a considerable part of their supplies from capitalist firms.

Among capitalist manufacturing firms, there are a great many of comparatively small size, which nevertheless even under present conditions play a very important part in the total of manufactured goods. There are still remains of the traditional hostility between the Co-operative Movement and these small firms, and so long as this hostility continues the owners of small businesses tend to be drawn into support of the monopolists and big chain stores, rather than into connection with the Labour and Co-operative Movement. We consider that from an economic standpoint, both small manufacturers and the Co-operative Movement would benefit by closer economic ties, which would also have their political effects. The Co-operative Movement, through both the wholesale and the distributive Societies, could establish permanent links with the manufacturers of different lines of goods in such a way that their factories were continuously employed on Co-operative needs, receiving any necessary help towards modern equipment of their factories, and being encouraged to maintain good Trade Union conditions for their workers. This would assure the small manufacturers of a regular sale for their products and would also enable the Co-operative Societies to break through any attempted restriction of supplies on the part of the larger manufacturers and combines. This suggestion is intended to apply over a very wide range of goods, including clothing, fashion goods, furniture, household equipment, radios, etc.

It is not entirely a new conception. Already in the past, thousands of dairy farms outside those owned by Co-operative Societies, or grouped in co-operative societies, regularly supplied the Co-operative Movement with their products on a mutually satisfactory basis. We believe that this system of regular purchase from the small manufacturers and producers should be applied by the Movement to the greatest number of products that could be obtained by such methods.

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In all arrangements made either with small manufacturers or farmers, it would be of considerable advantage to both sides if the materials required by the producers could also be obtained through Co-operative channels, which would be able to offer advantages through bulk buying and cooperative connections here and abroad. The Co-operative Movement would also be able to afford the best consultants in regard to methods of production, design, etc.

It is a fiction, carefully spread by persons interested in monopolies, that all small plants are necessarily inefficient. This is very far from the case, and in many sections of industry, the small plant is even more efficient, and is able to maintain its position in spite of the larger monopoly units. Our proposal therefore, does not in any way involve keeping alive inefficient firms which should be put out of existence. On the contrary, in Britain to-day, some of the smaller firms are in any case used by the monopolists and the big concerns, and the question is simply whether the Co-operative Movement can benefit, from both an economic and political standpoint, by establishing regular links that can at the same time help the small producers and win their support and interest for the progressive movement.

## PRODUCTION AND SUPPLIES



# **SOME CO-OPERATIVE PROBLEMS**

As Co-operative Societies grew in size, and began to handle a greater variety of goods and to offer new services to their members, many problems of organisation arose. Within each Society these are examined and are continuously being settled, with the aim of securing the greatest efficiency and the best possible service to the members. In the various types of joint organisation that have been set up, the principle of Cooperative membership has been maintained, through shareholding and voting rights held by the individual Societies. In spite of the complex structure of the Movement, this principle has guaranteed its essential democratic character, and although new problems of organisation are constantly arising, the different views held as to their practical solution do not weaken the unity and strength of the Movement.

There are, however, certain problems of a general character which the growth of the Movement and of the Labour Movement as a whole, as well as the new situation which peace will bring, make ripe for discussion.

## **Amalgamations and Co-ordination**

The most widespread problem before the Movement from the standpoint of efficient organisation is the existence of a large number of relatively small Societies. There are 889 Societies out of the total of 1,065 with less than ten thousand members each. In some cases, where Societies are larger (with twenty to forty thousand members each), there are several such Societies in a single large town.

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It is generally agreed that in many cases the amalgamation of small and medium sized Societies covering adjacent districts would be beneficial, enabling the amalgamated Society to undertake new services, open new shops and expand in many directions where the separate Societies are unable to develop. In fact, amalgamations have constantly been carried through, especially in the larger centres of population; and there is no doubt that these have given added strength to the Movement.

On the other hand, each separate Society, built up by members living in a small area, tends towards preserving its independent status and carrying on with its established membership and range of services, without considering the benefits which amalgamation with neighbouring Societies could bring. These tendencies are reinforced by differences in financial position and dividend policy as between the Societies concerned.

Nevertheless, we believe that amalgamations should be encouraged, wherever the conditions are such that practical benefits would result. In this connection we would stress particularly the need for consideration of amalgamations where there are two or more Societies in a single town, or in adjacent rural areas, where the pooling of resources can lead to immediate developments.

In some cases, where amalgamation is not immediately practicable, we believe that the formation by neighbouring Societies of District Societies for special services, on the lines proposed by Mr. Palmer, should be encouraged. In some cases, federal organisation of a service might be more suitable.

On the productive side of the Movement, there are also problems of co-ordinating the work of the Wholesale and the Productive Societies with those of undertakings of the same kind owned and run by Consumers' Societies. We feel that it would be a mistake to advocate any rigid unification of productive undertakings by taking them all out of the hands of Societies which at present organise them. It is true that certain advantages would result from a single management for each type of production all over the country; on the other hand, it may be possible to get many of these advantages without cutting across the initiative and interest of Societies which have set up their own ventures.

The principal advantage of unification is the greater possibility of planning on a national scale. But this could be achieved without actual centralised ownership and management. The total needs of all Societies for a particular product could be recorded by a central body. Orders could then be allocated

to the productive undertakings on a planned basis, so as to get the advantages of specialised production.

In all these problems of organisation we feel that the solution of most advantage to the Movement as a whole is not necessarily along the lines of a complete unification under a single control. Regard has to be had not only to the theoretical efficiency of single control, but also to the need to maintain and encourage initiative and not to cut across actual developments that are taking place.

## **Co-operative Democracy**

Co-operative organisations are based on members' shares, and the equal right of every shareholder to participate in the election of the management Committee and the principal other Committees through which the work of the Society is carried on. This participation in control carries with it the right to initiate proposals, to share in decisions on policy and to take part in controlling activities.

So long as the Societies were small and covered a small area, the members were effectively drawn into democratic participation in their activities. This is still generally true of the smaller Societies (there are 307 Societies with an average membership of only 493). But 60 percent of the total membership of the Movement is now organised in 96 Societies each having over twenty thousand members. Six Societies have over 100,000 members each, including the giant London Co-operative Society with over 800,000 members.

The growth in size of the Societies has been of enormous benefit to their members and to the Movement. Amalgamations have made it possible to pool resources, increase the number of shops and departmental stores, and undertake services which the separate Societies could not have started. The policy of amalgamation is one which will rightly be carried further.

But it is true that the increase in size of so many Societies has led in practice to a loss of contact between members and the affairs of their Society. The formal rights of participation in control and in shaping policy remain; but in the larger Societies they are exercised by only a tiny proportion of the membership. This is a serious problem for the Movement, not because the

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elected management committees and the appointed officials are failing to give of their best, but because the members tend to lose interest in the affairs of their Society, and their loyalty to it and to Co-operative principles tends to grow weaker.

The problem is a difficult one, because its solution depends not only on the existence of democratic machinery (which is still in the larger Societies much the same as in the smaller ones), but on rousing the interest of the members and also on winning management committees and officials to appreciate the need for more active participation by the members.

The work of the Political and Education Committees, in Societies where these exist, and the work of the auxiliary organisations — the Guilds and Parties — helps to maintain interest in Co-operative affairs in general, and it is probably the general experience that members associated with this work form the majority of those attending the Members' Meetings of the Society. The strengthening of these organisations, drawing into their membership larger numbers of Co-operators, would contribute to solving the main problem of rousing interest in the affairs of the Society, and getting wider participation in elections and quarterly meetings.

Perhaps better results could also be obtained if the members' meetings of larger Societies were more widely distributed. Some medium-sized Societies still hold only a single meeting, in spite of the wide area they now cover; others have a number of meeting places, but not always enough to make attendance easy for all members. It might be useful also to give more publicity to the meetings.

Apart from the members' quarterly or half-yearly meetings, consideration might be given to methods of drawing members registered at each shop into some form of organised activity round the shop. Occasional meetings on this basis would give members the opportunity of making suggestions, and would also give the Management Committee (or District Trading Committee where this exists; as in the London Society) the opportunity of explaining difficulties, plans, etc., to the membership in a more detailed way than is possible at the meetings which have to discuss the affairs of the Society as a whole.

## **Employees on Management Committees**

There is still a measure of difference in the Movement with regard to the status of employees and their right to sit on Management Committees and similar bodies. We think that the only attitude consistent with the principles of Co-operation is one that encourages all employees to be members of their Societies, with the full rights of trading members including the right of election to all Committees. Experience shows that numbers of keen employees can and do contribute very greatly to cooperative development by their work on Committees and Management Boards.

On the other hand, the character of the Committees as representing the whole membership should be maintained and for this reason we deem it desirable that a majority of the members on all leading Committees and Management Boards should be trading members not employed by the Society.

## **The Position of Employees**

Another problem of the Movement, more acute as Societies grow in size, is the maintenance of goodwill and mutual interest between the Society and its employees.

It has always been a Co-operative principle to provide a good standard of wages and conditions for Co-operative employees, and Societies in general have operated this principle, giving a lead to the distributive trades. Certain questions are still unsolved; for example, the rate for the job is not recognised in practice, in spite of the fact that there is a wide acceptance of the principle, and the gap between rates for males and females almost everywhere remains a wide one.

Juniors' rates have been, and still are, too low, having in mind conditions operating in many business organisations, and are not sufficient to attract to the service of the Movement some of the best types of young workers.

A further problem is the widely differing rates in operation ; in rural districts and in areas subject to long periods of depression, rates are low by national comparison, and since the war the improvement in the general labour conditions and standards in these areas has made the problem a more acute

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one and given rise to much dissatisfaction.

We favour the establishment of a National minimum scale which would

- (a) raise the standard of the lower-paid workers;
- (b) increase the rates for juniors;
- (c) reduce the gap between male and female rates and lead to the eventual establishment of the rate for the job;
- (d) establish the adult rate at 21 years of age;
- (e) provide two weeks' holiday with pay for all employees together with a reasonable period of sick pay.

Wartime experience of negotiations through the National Council of Hours and Wages Boards has convinced us that the establishment of National Negotiating machinery will be in the interest of the Movement and its employees. The problems which we have enumerated could be solved more speedily and satisfactorily by a National Wages Council.

With regard to workers in other countries employed by the British Movement, it is essential to ensure good conditions of employment and the encouragement of trade union organisation. In view of the considerable scale of tea production in India and Ceylon on plantations owned and managed by the British Movement, it would be useful to make a special enquiry into conditions of employment for report to the Movement here.

Another problem, especially for the larger Societies, is to enlist the active help and interest of employees in relation to the Society's affairs, and thus strengthen the work of Management Committees and officials. So far experience in many capitalist enterprises has shown the value of Joint Production Committees; similar Committees have been established in some Co-operative enterprises, but we believe that the idea should be more widely applied, and consultative machinery on the lines of joint Production Committees set up at all places of Co-operative employment. Such Committees would be of great assistance to officials and to the Management Committee on all practical questions that arose, and they should help to widen the outlook and stimulate interest in the affairs of the society among its employees, thus making them more capable and enthusiastic in the service of the Movement.

The growth in size of the Movement and the development of new forms of enterprise also makes it essential to consider the need for more highly

specialised and experienced staff in many departments. This need can be met partly by more extensive schemes of training for Co-operative employees; but in present conditions it is necessary to recognise that the Movement requires the very best experts now available and that salaries on the level of those paid by competitors must be paid in order to attract and keep them.

In all staff training, technical training should be accompanied by education in the principles of Co-operation and the aims of the Labour Movement as a whole, so as to develop and strengthen loyalty to the Movement and understanding of its purpose.

Another problem which has become important in the larger Societies is that of the welfare of employees. The suggestion has been made that every large Society should appoint a Welfare Officer, who would be responsible for developing health services, rest rooms and canteens and recreation clubs, as well as helping to look after the general welfare of employees. Such Officers exist in most large capitalist enterprises ; they could be even more useful in all large Co-operative Societies.

## **Relations with the Labour Movement**

The key to the relationship between the Co-operative Movement, the Trade Unions and the Labour Party lies in the fact that they each, in their different spheres, represent and promote the interests and well being of the working class and the common people against reactionary and monopoly interests, and that they have the common aim of a new order of Society.

The decision of the Co-operative Union in 1941 to become “a full partner with the industrial and political sides of the movement in the National Council of Labour” was in itself a recognition of this identity of interests with regard to both immediate and ultimate objectives.

Much however remains to be done to consolidate and strengthen these links. It has to be recognised that the Co-operative Movement came into the political field comparatively late, and that there is room for a considerable extension of its political activity, which can draw into organised political life large numbers of working people not effectively reached through other sections of the Labour Movement, but who value and understand their association

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with the Co-operative Movement.

The national post-war policy, adopted by the 1943 Co-operative Congress, and published under the title of *The World We Want*, sets out the broad lines of a programme with which, in the main, every section of the Labour Movement is in agreement. But in order that the Movement may be fully prepared for the united action which alone can realise this programme, the whole position needs to be reviewed by the Co-operative Union and the National Council of Labour, with a view to getting a clearer understanding and a great increase of joint activity. We believe that any feeling of rivalry between the Co-operative Party and Labour Party is harmful to the development of the whole Movement and that there should be the closest association between these parties, both in Parliament, through their Executives and in their local organisations. In view of the character of the Labour Party as the federal organisation of working-class bodies for political purposes this association should eventually take the form of affiliation of the Co-operative Party nationally as well as locally to the Labour Party.

There is one issue of policy which has constantly been raised from different standpoints by the Labour Party and Co-operative members. Both sides are united in the aim of developing non-capitalist enterprise. Labour Party supporters, however, favour the extension of municipal trading, as against the view that Co-operative Societies should replace private enterprise. We do not believe that it is useful or desirable to establish any general principle. There is more than room enough for both municipal and Co-operative enterprise in a country which is still overwhelmingly capitalist. Historical conditions and opportunities have led to the growth of municipal or Co-operative undertakings in particular areas, and there is no need for any rivalry.

We would suggest, however, that in both National and Local plans the Labour Party should take into account the part that the Co-operative Movement can and should play. Municipal activities in particular can often be strengthened through linking up with facilities that Co-operative Societies can provide.

The relations between Co-operative Societies and Trade Unions must be governed by their permanent common interests which can be summed up as defending and advancing the living standards and the spending power of working people, as well as their ultimate goal of changing society. It is in



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Co-operative undertakings above all that the Trade Unions should be able to play a constructive part in solving problems of output and assisting new developments which will be useful to both Co-operators and Trade Unionists. On the side of Management Committees and officials and to some extent even members of Co-operative Societies there is a tendency to regard the Trade Unions simply as negotiating bodies on wages and conditions of employees. There is a corresponding tendency on the part of trade union officials and members to regard Management Committees and Co-operative officials as ordinary capitalist employers and managers. Consciousness of their common interests and mutual appreciation of the part that each is playing in their common task provide the best basis for their relations with each other.

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# CO-OPERATIVE EDUCATION

The Education work of the Co-operatives has always held a very important place in the life of the Movement. It is carried out in the main by the Education Committees of the Retail societies, and by the Guilds and Youth organisations. Many Societies by rule set aside 2½ percent of their surplus for education grants; in 1939 these grants amounted to about £300,000. Thousands of lectures, week-end schools, conferences, film shows, choirs and dramatic clubs are organised in all parts of the country, and the College at Manchester offers full time Co-operative education on a scholarship basis.

## Education Committees

Education Committees in general recognise that it is their purpose to carry out education, mainly adult education, on the basis of "Education for Social Change." It is recognised that Co-operative trading activities alone cannot bring into being a membership strong enough, and clear enough in its purpose, to achieve the aims of the Co-operative Movement; and that a strong trading organisation itself depends to a great extent on how far the members are conscious Co-operators.

Valuable as the work already performed has proved, there can be no doubt that in the coming period there will be the greatest necessity to strengthen and intensify this activity, planning to reach out to newer sections of the membership by new forms of propaganda and publicity and by consolidating existing Education machinery.

Steps should be taken to begin this work where it has not yet been undertaken; it would help rapid development if all the larger Societies appointed

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full-time Education Secretaries or officials, and if Committees drew on the interest and initiative of the most active students from classes and Conferences, in this way securing their help in arranging future events and programmes. All students should become part of the Education Fellowship around the Committee. In addition, the taking over of Education central premises where day and week schools could be held for both members and employees will greatly facilitate development.

Every effort should be made, with the help of Co-operative officials and employees, to make known to the members the educational and cultural facilities which the Society is providing.

Finally, the movement should give the greatest support for the establishment of the new National Co-operative College which will enable the Movement to work out national schemes on Education programmes for Residential and Summer schools.

## Co-operative Guilds

The Co-operative Guilds have a splendid record of service to the Movement. They made a unique contribution through their initiative in helping to develop Co-operative trade, and their own high standard of devotion to Co-operative interests. At the same time, they built up their strength through educational work, combined with a wide range of activity on social and political issues.

But in recent years, particularly during the war, the Women's Guild, although it still forms by far the most important section of Guild organisation, has declined in membership and activity. This has been due partly to war conditions. But the slow recruitment among younger Co-operators must also be connected with the pacifism of the leaders, which has sometimes taken extreme forms out of harmony with the policy of the Co-operative Movement; and also with the existing undemocratic limitations on the right of members to elect those who they think are best fitted for official positions, through the ban on the Communists. For these reasons, the Guild has not by any means kept pace with the growing membership of the Societies.

Conditions for Co-operative trade are much easier to-day, in spite of war restrictions, than they were in the early days of the Guilds. But the very growth

in membership and trading opportunities means that there is urgent need for a renewal of the spirit and determination of the Guilds-women who did so much to make the Co-operative Movement a living force. Formerly it was the Guild members who were most constantly alive to new possibilities of production and trade, new chances for Co-operative development of all kinds; and it was they who took the lead, at a time when the average earnings of women were less than 12s. a week, in campaigning for a higher standard for Co-operative employees.

The work that has been done during the war by many Guild branches in helping to secure war-time nurseries, increased allowances for soldiers' families, educational reform, better housing and other social demands, shows that the Guild has an important part to play in advancing the interests of working-class housewives. But their special work for the Co-operative Movement itself needs to be brought into closer touch with present requirements and opportunities. They could have a great influence in helping forward new kinds of publicity for Co-operation, and extending Co-operative distribution in the direction we have outlined in other sections.

Changes will have to be made in the rules and procedure of the Women's Guild, and greater encouragement given to their activity in association with other organisations, if the Guild is to be successful in recruiting large numbers of young housewives, in becoming once again the most active and vigilant section of Co-operators, and regaining its outstanding position among working-class women.

## **Co-operative Youth**

Co-operative youth work and organisation covers a very wide range of activities and interests among young people. Today it is winning increasing recognition, inside and outside the Co-operative Movement, and from Government departments. The whole of the youth work of the Movement is now reaching a stage in which it is co-ordinated on a national scale through the Educational Council and its Executive under the Co-operative Union. But the work and membership of the Council itself needs re-examination, to ensure that it is composed of people with experience as educationalists and first-hand

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knowledge of the problems.

In connection with the Service of Youth there are upwards of 350 Youth Clubs with about 40,000 members, catering for adolescents between 16 and 20. Playway and Pathfinder Groups for the younger ones number 400 with about 15,000 members. Bridging the gap between Youth Clubs and the adult organisations of the Movement is the British Federation of Young Co-operators (B.F.C.Y.) for young adults between ages 18/20 to 25, now receiving substantial financial help from the Co-operative Union. In addition, the Woodcraft Folk, an organisation which was started twenty years ago in the London area to bring children together for collective open-air activities of various kinds, has now become a recognised part of the Co-operative Union Youth Movement.

A new and very important development is the establishment of Co-operative Youth Centres. For this purpose a separate national society was formed in 1944, whose principal object is to carry on "residential youth centres, camps and schools to meet the educational and recreative needs of the members and the families of members of Cooperative Societies." A beginning has already been made with the acquisition of two houses in the North of England and the plan for a network of well-equipped centres, with buildings and grounds typical of the English country house, gives the opportunity for opening up new and most attractive forms of Co-operative service.

The appeal of the Co-operative Movement to young people lies in the outlets it gives to the constructive energy and idealism of youth, and in the striking example it provides of working-class capacity, of aspiration become reality.

Is the Movement possessed of the right means to recruit and receive into its ranks the girls and lads, the young men and women, needed for its own programme of development, and for the wider purposes it serves? Undoubtedly the machinery for this exists. The fact that it is not working to full capacity, nor expanding rapidly enough to meet the vast possibilities, is due chiefly to the slowness of the adult organisations of all kinds in realising how great these possibilities are, and providing the right type of assistance. The Movement should provide well-equipped premises for continuous use by the Youth Clubs. There is great need for adults, who recognise the ability of young people to manage their own affairs, and have themselves an all-round experience in the Movement, to take part in the work of the youth organisations in a way that

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will make them a training ground for the active membership of the future, and at the same time will enable the young members to take a fully responsible part in their own organisation.

This means not only that a high standard of social, cultural and sports activity has to be reached, but that the special character of Co-operative education and the purpose that it serves must be the guiding influence in all Co-operative Youth Work, including particularly the work of the Clubs.

In its youth organisation as in all its other activities the Co-operative Movement should be closely linked with other sections of the Labour Movement. It would be an immense advantage to the whole Movement if a single Socialist Youth Organisation could be brought into existence. While therefore, we greatly appreciate the work that has been done by the Co-operative Youth organisations, and believe that this work should be continued and strengthened, we also suggest that the British Federation of Young Co-operators should take part in building up a single Socialist Youth Organisation for the Labour Movement as a whole.

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# RELATIONS WITH THE MOVEMENT ABROAD

The brotherhood of man is more than an aspiration to co-operators; they attempt to build it.

The British Co-operative Movement has repeatedly shown its concern in international questions, as having a bearing on the prosperity and safety of the Movement and on the welfare of its members. In the last twenty-five years it has done much to influence public opinion in favour of better relations with the Soviet Union, with Republican Spain and China, and against the spread of Fascism in Europe. It has associated itself with the demand for the freedom of India. It is participating fully in the fight for the destruction of Fascism, which has destroyed the Co-operative Movement in so many countries of Europe.

Alongside of its political activity on international issues and its participation in the International Co-operative Alliance, the British Co-operative Movement has been able to establish direct economic links with Co-operative organisations in other countries. The most fully developed up to 1939 were with the Scandinavian countries and in the Soviet Union; but trade was also growing with Co-operative organisations in other countries. Apart from the well-established national organisations, an interesting example is the trade established by the Co-operative Wholesale Society with West African growers of cocoa and palm kernels, who formed Co-operative Societies on the Gold Coast and in Nigeria for collective marketing.

When the destruction of Fascism and the resumption of normal international trade make development possible there will be unprecedented opportunities for trade between the British Movement and the Movement abroad.

## RELATIONS WITH THE MOVEMENT ABROAD

In the first stage, much help will have to be given in the rebuilding of the Co-operative organisations in Europe; the British Movement has already begun its preparations for this, in connection with the "Freedom Fund" to help the Co-operatives in European countries after their liberation. But with the restoration of normal conditions the Co-operative Movement in every country is likely to grow rapidly in strength and to be one of the most important instruments in raising the standard of living throughout the world.

This was recognised by the representatives of the United Nations at the Hot Springs Conference, which recommended that "All countries study the possibilities of the further establishment of producer and consumer Co-operative societies in order to render the necessary production, marketing, purchasing, finance and other services."

The growth of Co-operative organisation in every country can be greatly helped by the development of regular trading links with the Movement in other countries, which can make considerable inroads into the trade in raw materials and manufactured goods now in the hands of the Combines and large privately-owned companies. The British Movement, with its great experience and financial stability, will undoubtedly play a leading part in this development, with corresponding advantage to Co-operators here and abroad ; and it will feel its special responsibility to help forward the people in British colonial territories, on the lines already undertaken in West Africa, as indicated above.

# CONCLUSION

Our suggestions for the main direction of Co-operative development in the period following the war are, we believe, in line with the traditions and experience of the Movement, and present no difficulties which the Movement cannot overcome.

We are confident that the generation which has experienced this war — especially those who have served in the Forces — will make far-reaching demands for a better life ; and that political action, founded on a united Labour Movement in alliance with all other progressive sections of the people, will be able to sweep aside the dead hand of Toryism and guarantee that these demands are met.

In such conditions the Government, backed by a Labour and progressive majority in the House of Commons and a united Movement in the country, will be able to carry through definite measures of social advance, to nationalise important sections of industry, and to establish a firm control on prices and supplies and on the operations of the Combines.

It is against this background that plans for the development of Cooperative organisation and activity must be considered. The control of prices and supplies, which cuts so deeply into the profit-grabbing policy of the monopolists, is in complete harmony with Co-operative trading policy, and indeed provides an excellent basis for vigorous development. Much can be done through Government channels to improve conditions for the people. But what it does will have deep and permanent effects only if at the same time the working people and their organisations, through their independent activity and initiative, help to maintain the forward drive and strengthen the democratic power of the people.

## CONCLUSION

The task of the British Co-operative Movement in this situation is to throw the whole of its resources and energies into the maximum expansion of its distributive and productive structure, so that it can meet the new and increasing consumer demands of the people. The weakening of the monopolists and profit-seeking Combines will in part be accomplished through the competitive effect of a bold drive by the Movement to thrust its distributive network into a dominant position throughout the country. Challenging initiative of this kind will have a full and enthusiastic response from a generation to whom the arbitrary power and profit motives of capitalism have become repugnant, as the source of social evils and stunted opportunity. The dividend on purchases, through which the Movement has been built up in the past and must continue to be built in the future, together with the democratic collective character of the Societies, express the fight against the privately-owned, profit-seeking Combines.

In the field of culture and education and by the political mobilisation of its vast membership, the Co-operative Movement has resources which equally must be utilised in a tremendous constructive effort for advancing its size and power and thereby advancing, too, the common aims of the whole working class and all progressive people.

Neither the Co-operatives, nor the Trade Unions, nor the working-class political parties, can fully carry their responsibility without a clear understanding of the part that each is playing in the common struggle to end the profit-making system and build a new order of society. Given this understanding, and the mutual help and joint activity that follows from it, each section of the Movement can develop rapidly in the coming period. If the favourable opportunities are seized, and the democratic power of the united membership used to the full, great new strength can come to the Movement, and the working people of Britain can confidently face the future.